

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF MICHIGAN  
SOUTHERN DIVISION

UNITED STATES SECURITIES AND  
EXCHANGE COMMISSION,

Plaintiff,

v.

Case No. 06-14891

HONORABLE AVERN COHN

J.T. BATTENBERG, III, and PAUL FREE,

Defendants.

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**PARTIAL JUDGMENT - LIABILITY ONLY - AS TO J.T. BATTENBERG, III  
AND PAUL FREE**

**I.**

This is a securities fraud case. Following twenty-nine days of trial, on January 13, 2011, a jury returned a verdict in favor of the SEC and against defendants J.T. Battenberg, III and Paul Free for violating various securities law and rules. Accordingly, a partial judgment on liability is entered in favor of the SEC and against defendants consistent with the jury's findings, as follows:

**II.**

IT IS HEREBY ORDERED, ADJUDGED, and DECREED that as to J.T. Battenberg, III:

**GM Settlement Transaction**

He violated Section 13(b)(5) of the Securities Exchange Act of 1934 and Rules 13b2-1 and 13b2-2 promulgated under the Securities and Exchange Act of 1934.

**III.**

IT IS HEREBY ORDERED, ADJUDGED, and DECREED that as to Paul Free:

**GM Settlement Transaction**

He violated Section 13(b)(5) of the Securities Exchange Act of 1934 and Rules 13b2-1 and 13b2-2 promulgated under the Securities and Exchange Act of 1934.

**Bank One - Precious Metals (PGM) Transaction**

He violated Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5, Section 17(a)(2) of the Securities Act of 1933, Section 20(e) of the Securities Exchange Act of 1934 by aiding and abetting a violation by Delphi Corporation of Section 13(a) of the Securities Exchange Act of 1934 and Rules 13a-1, 13a-13 and 12b-20, Section 20(e) of the Securities Exchange Act of 1934 by aiding and abetting a violation by Delphi Corporation of Section 13(b)(2)(A) of the Securities Exchange Act of 1934, Section 20(e) of the Securities Exchange Act of 1934 by aiding and abetting a violation by Delphi Corporation of Section 13(b)(2)(B) of the Securities Exchange Act of 1934, Section 13(b)(5) of the Securities Exchange Act of 1934, and Rules 13b2-1 and 13b2-2 promulgated under the Securities Exchange Act of 1934.

**BBK - Cores and Batteries Transaction**

He violated Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5, Section 17(a)(2) of the Securities Act of 1933, Section 20(e) of the Securities Exchange Act of 1934 by aiding and abetting a violation by Delphi Corporation of Section 13(a) of the Securities Exchange Act of 1934 and Rules 13a-1, 13a-13 and 12b-20, Section 20(e) of the Securities Exchange Act of 1934 by aiding and abetting a

violation by Delphi Corporation of Section 13(b)(2)(A) of the Securities Exchange Act of 1934, Section 20(e) of the Securities Exchange Act of 1934 by aiding and abetting a violation by Delphi Corporation of Section 13(b)(2)(B) of the Securities Exchange Act of 1934, Section 13(b)(5) of the Securities Exchange Act of 1934, and Rules 13b2-1 and 13b2-2 promulgated under the Securities Exchange Act of 1934.

**EDS - \$ 20 Million Transaction**

He violated Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5, Section 17(a)(2) of the Securities Act of 1933, Section 20(e) of the Securities Exchange Act of 1934 by aiding and abetting a violation by Delphi Corporation of Section 13(a) of the Securities Exchange Act of 1934 and Rules 13a-1, 13a-13 and 12b-20, Section 20(e) of the Securities Exchange Act of 1934 by aiding and abetting a violation by Delphi Corporation of Section 13(b)(2)(A) of the Securities Exchange Act of 1934, Section 20(e) of the Securities Exchange Act of 1934 by aiding and abetting a violation by Delphi Corporation of Section 13(b)(2)(B) of the Securities Exchange Act of 1934, Section 13(b)(5) of the Securities Exchange Act of 1934, and Rules 13b2-1 and 13b2-2 promulgated under the Securities Exchange Act of 1934.

**IV.**

A final judgment will enter upon conclusion of the remedies phase of the case.

Dated: March 8, 2011

S/Avern Cohn  
AVERN COHN  
UNITED STATES DISTRICT JUDGE

**06-14891 SEC v. Battenberg, Free  
Partial Judgment - Liability Only**

**CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing document was mailed to the attorneys of record on this date, March 8, 2011, by electronic and/or ordinary mail.

S/Julie Owens  
Case Manager, (313) 234-5160